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MEMORANDUM FOR: Deputy Director for Administration

FROM: Chairman, DDA Cost Reduction and
Efficiency (CORE) Working Group

SUBJECT: Recent DDA Efficiencies and Cost Savings

1. Efficiencies and associated cost savings achieved in the DDA since FY-79 are summarized in Attachment A. We believe it is extremely important that the DCI be made aware of these recent efforts in order to:

- o *correct his perception that "... the rest of the Government is working hard at this (cost reduction and efficiency) and thus far it is my impression that there is too much thinking here that we are immune from this requirement."*
- o *provide support to his efforts to significantly increase Agency funds for capital investment, and, thereby, make possible even greater future efficiencies and savings.*

The savings enumerated in Attachment A are all the more remarkable considering the fact that DDA non-personal service budgets for FY-80, FY-81, and FY-82 are all less than the FY-79 budget in terms of constant dollars and that the DDA is more heavily impacted by inflation, particularly that resulting from increases in energy and materiel costs, than any other directorate. That we were still able to achieve significant savings in this environment can be directly attributable to our continuing efforts to "do more with less."

2. Several cautions regarding the magnitude of the cost savings shown in Attachment A should be observed:

- o The savings shown cover the period from FY-79 until 30 June 1981, but for a given item, savings are shown only for the period since the implementation of that item, i.e., individual savings could cover a period as long as 2 years and 9 months or as short as only several months. These savings would be even larger had we chosen to show total "life-cycle" savings.

WARNING NOTICE
INTELLIGENCE SOURCES
AND METHODS INVOLVED

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SUBJECT: Recent DDA Efficiencies and Cost Savings

- o In some cases, the actual savings are unequivocal, as in the case of the deletion of a discrete service or function. In other cases, however, the savings shown should technically be reduced by some portion of those centralized (overhead) support costs such as data processing and communications which may have made the savings possible. However, we have chosen not to do so because of the difficulty in calculating and prorating these overhead costs and because the approach taken is that most commonly used in calculating savings within the Government.
- o In yet other cases, such as "negotiated contract savings," one could argue that these are not true "savings" in that they did not result from the application of a new idea, technique, or approach.
- o Finally, any reduction in personnel is considered a savings, even if these personnel were reassigned within the same component, provided it would have been necessary to request additional personnel to meet new requirements which were levied on the component during the same time frame.

The above is simply to state the obvious, that these statistics could be interpreted in different ways. *Far more important than the dollars shown is an understanding of the substance of the efforts made to achieve greater efficiencies and cost savings.*

3. Finally, we have included, as Attachment B, a listing of some of the ideas we will be submitting to you for consideration to achieve yet additional efficiencies and savings in future years.

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Attachments:

- A. Recent Efficiencies and Associated Cost Savings
- B. Future Efficiencies

cc: ADDA, w/atts

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SUBJECT: Recent DDA Efficiencies and Cost Savings

Distribution:

- 1 - DD/OIS
- 1 - DD/MS
- 1 - DD/ODP
- 1 - DD/Fin
- 1 - DD/Sec
- 1 - DD/OTE
- 1 - DD/L
- 1 - C/DND/OC

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3

ATTACHMENT

RECENT EFFICIENCIES
AND
ASSOCIATED COST SAVINGS

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EXECUTIVE SUMMARY

**DIRECTORATE OF ADMINISTRATION COST SAVINGS
FY 1979 - 30 June 1981**

TOTALS

Office of Information Services	\$ 510,964
Office of Medical Services	133,500
Office of Communications	6,878,680
Office of Finance	1,926,598
Office of Logistics	8,390,095
Office of Data Processing	6,005,750
Office of Security	2,237,800
Office of Training and Education	2,524,896
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DDA TOTAL	<u>\$28,608,283</u>

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DIRECTORATE OF ADMINISTRATION COST SAVINGS
FY 1979 - 30 June 1981

Office of Information Services

Combining the Agency Archives and Records Center	\$170,000
Use of Contract Annuitants	332,750
Modification of the "All Employees" Distribution of Regulatory Issuances	8,214
	<hr/>
Total	\$510,964

Office of Medical Services

Reduction of Independent Contract Physicians	\$32,000
X-Ray Program	44,000
Reduced Use of Outside Laboratory Facilities	30,000
Administrative Belt-Tightening	27,500
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Total	\$133,500

Office of Communications

Redistribution of Human Resources	\$5,500,000
Use of ADP Resources	
Logic Improvement in Message Switches	541,600
CIA Cable Reference File	
RACAL 9629 MODEM	
Universal MUX Configuration	\$320,000
Training Improvements	

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Office of Communications - Continued

Project DUE	\$120,000
Statistical Multiplexer (STATMUX)	32,000
OC Finance Branch Procedural Changes	
Recruitment Teams OS/OMS/OC	24,966
DATEX Program to Provide Message Relay to ODP Computer from CDS	300,000
Streamlined Overseas Processing	40,114
<u>Total</u>	<u>\$6,878,680</u>

Office of Finance

Reduction of Agency Cashier Funds	\$ 570,000
<div style="border: 1px solid black; height: 20px; width: 450px;"></div>	480,000
Reduction of Disbursing Centers' Funds	30,000
Improvement in National Program Bill Paying	300,000
Payroll Absorption of Workload	43,598
Reduction of Delinquent Travel Advances	48,000
Improvement in Bill Paying Production	
Discounts Taken	455,000
<u>Total</u>	<u>\$1,926,598</u>

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Elimination of Logistics Services Division	
Budget Item of \$50,000 for a Mini-Computer	\$45,000
Printing Plant Consolidation	532,000
Acquisition of Web Press	86,500
Muller-Martini Saddle Gatherer	10,125
ETECS Full Page Composition	14,000
Press Comments Format Change	19,000
Directorate of Operations Technical	
Manual Duplication	1,000,000
Negotiated Contract Savings	5,500,000
Electric Powered Centrifugal Chiller	99,666
	137,500
	75,000
Extensive Use of U.S. Government Excess	
Property Lists	277,373
Contract Information System (CONIF)	419,000
Direct-Readout Scale	10,400
Material Cost Savings	11,998
Forktrucks	52,533

Total \$8,390,095

SECRETOffice of Data Processing

Competitive Procurement of Computer Equipment	\$3,000,000
Human Resources System	760,000
Release of Computer Equipment	145,750
Use of Excess ADP Equipment	2,100,000
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Total	\$6,005,750

Office of Security

Office of Security Case Expeditor Group	\$129,300
Guard Program	1,284,500
GSA Leased Vehicles	96,000
IPMS Bulk Purchase Savings	388,000
SANCA Name Deletions	34,300
Card Index Conversion to Microfiche	65,700
Records Control Schedule Review	225,000
Industrial Investigations	15,000
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Total	\$2,237,800

Office of Training and Education

Agency Off-Campus Program	\$109,222
External Training	91,000
External Training--In-house Runnings	164,685

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Office of Training and Education - Continued

Management Training	\$ 18,000
Intelligence Training	35,000
Travel Reimbursement [REDACTED]	12,500
Use of Less Expensive Television Camera	36,000
Consolidation of OTE and Operations Training Division Television Facilities	150,000
Conversion to Videotape From Film for Media Presentations Produced In-house	299,500
Savings Through ROPE Testing	26,792
PDP Computer	25,000
Items Received from Government Disposal Depot	465,397
CTTC Vehicles	840,800
[REDACTED] TV Production Studio	113,000
[REDACTED] Energy Conservation Program	66,000
Refurbished [REDACTED]	72,000
Total	\$2,524,896

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SECRETOFFICE OF INFORMATION SERVICESCombining the Agency Archives and Records Center

25X1 In June 1979, the Agency Archives and the Agency Records Center were merged into one organization, thus allowing the elimination of [] for a total savings in salaries of \$170,000.

\$170,000

Use of Contract Annuitants

The use of former Agency employees hired on contracts to perform systematic classification review of Agency records older than 20 years has reduced the cost of the program and enabled us to use persons with the greatest amount of experience to do the job. To review OSS records, we have used [] persons hired under independent contracts at a cost of \$452,000. To use GS-13 staff officers to work the same number of hours would have cost the Agency \$664,000, thus we realized a savings of \$212,000. In the review of other Agency records we have used former employees on contracts which has resulted in a savings per each man-year of \$25,000. Contract employees have accounted for a total of 4.83 man-years of classification review for a total estimated saving of \$120,750. Total estimated savings from use of contract employees has been \$332,750. (Note: These figures do not include the amounts of the annuities paid to the former employees.)

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\$332,750

Modification of the "All Employees" Distribution of Regulatory Issuances

Previously, each employee received a copy of all Headquarters Notices and Employee Bulletins. Regulations Control Division modified this distribution schedule providing one copy for each six employees, thus saving 7,606 copies with each printing. The distribution schedule has been used 216 times since FY 1978 resulting in a savings of 1,642,896 pages at .5¢ per page for a total savings of \$8,214.48.

\$8,214

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OFFICE OF MEDICAL SERVICES

Reduction of Independent Contract Physicians

Greater utilization and involvement of staff physicians in the medical examination process resulted in fewer sessions required of independent contract physicians.

\$32,000

X-Ray Program

Overall costs of the X-ray program were reduced by centralizing X-ray interpretations and establishing new X-ray requirements (based on new medical criteria) which resulted in a decrease of the number of chest X-rays taken.

\$44,000

Reduced Use of Outside Laboratory Facilities

Establishing in-house capabilities for bacteriology and automated hematology procedures as well as enhancing automated blood chemistry quality control resulted in fewer samples being sent to outside laboratory facilities.

\$30,000

Administrative Belt-tightening

General administrative belt-tightening which reduced the number of subscriptions to periodicals; enforced judicious use of POV funds; established formal agreements with other U.S. Government agencies for obtaining immunization vaccines; reduced the overtime for after-hours security duty through adjustment of work hours.

\$27,500

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OFFICE OF COMMUNICATIONS

Redistribution of Human Resources

During the past three years, the Foreign Networks Division has reduced the staffing at two of our base stations and several field stations for a total reduction [REDACTED] These positions were then reassigned to satisfy new priority requirements. The total saving of this realignment of personnel is approximately [REDACTED]

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The Information Control Branch Support Services Division, was reduced in March 1980 by [REDACTED] with the incumbents' duties being absorbed by the remaining Branch personnel. These positions were made available for other functions within the office.

The Signal Center Branch, Domestic Networks Division, restructured its watch schedule covering weekends with scheduled overtime with a net savings of \$500,000 per year. [REDACTED] positions have been made available for other functions within the office.

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\$5,500,000

Use of ADP Resources

Use of ADP resources in the day-to-day management of the Office of Communications (OC) is widespread. Systems such as MAINS, [REDACTED] NETSUM, and others, have improved efficiency; use of VM, RAMIS and SCRIPT in preparation of formats, specifications, studies and reports have increased efficiency. No specific dollars have been identified but it can safely be said that use of ADP resources has improved office efficiency by 5-7 man-years. People are free to do other things.

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Office of Communications - ContinuedLogic Improvement in Message Switches

When increased service is needed, Unattended Operation Terminal (UOT) eliminates the need for an expensive voice grade line. To date, three units have been installed resulting in an annual savings of \$30,000.

Improved service has been possible at 30 facilities through the use of FASTCAST. Dollar savings with respect to this improvement are difficult to compute. However, the use of FASTCAST in a crisis situation provides a service not measurable in dollars.

A modification was made to print out logs of messages with errors instead of all messages passing through the switch. This saved the time required by operators to search through the logs looking for messages with an error. The manpower savings was estimated at 1.5 man-years per site. There are three sites, and one is overseas. This equates to a cost savings of approximately \$157,000 per year for manpower and reduces paper consumption by 360 boxes per year (\$5,400).

\$541,600

CIA Cable Reference File

25X11 Approval of a revised [] is expected to occur in the very near future. This approval will clear the way for the Cable Secretariat Branch (CSB) to reduce its CIA cable reference file (archives) from two years to two months. Concurrent with the reduction in the requirement for CSB to retain Agency traffic, the DDO registries will be required to maintain their holdings of CIA traffic for two months. The CIA cable reference file can then be reduced to an emergency backup file maintained on magnetic tape. Two positions made available for other functions.

RACAL 9629 MODEM

Provides for accommodating up to four separate and independent circuits onto one MODEM and leased line, thereby saving either additional MODEMs and leased lines or additional multiplexers. Deployed throughout domestic and foreign networks. Savings - 195 man-days per year on an ongoing basis.

-2-

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SECRETOffice of Communications - ContinuedUniversal MUX Configuration

Provides for multiplexing red and black signals by one vice
 two multiplexers. [REDACTED]
 separate circuits [REDACTED]
 each circuit. Deployed [REDACTED]

[REDACTED] Savings - \$320,000, 20 man-days/yr ongoing.

\$320,000

Training Improvements

Computer-Aided Instruction (CAI): By the use of CAI, our
 students are allowed more flexibility for self-paced instruction.
 This is extremely time-consuming. The CAI is formatted with
 automatic scoring which also allows the instructor to literally
 be in two places at one time. [REDACTED] is expanding its CAI program
 but at its present state, CAI is saving approximately 10 man-weeks
 per year.

Classroom Renovation and Reallocation of Training Equipment:
 Better than 60 percent of the operations training area of
 [REDACTED] is being renovated. The end
 results of this effort will be consolidation of equipment which
 will maximize training, freeing up floor space for newer tech-
 nology, and purging training of outdated equipment.
 Consolidation will intensify training and may reduce training
 time. Better than a thousand square feet have already been
 realized through renovation. Our electronic maintenance shop
 believes it will save approximately six man-weeks by not having
 to maintain old and outdated equipments.

Project DUE

Dictionary Upgrade Effort (DUE), Phase I, was completed in
 May 1981. The one-year project consisted of a redesign of the
 concept and approach used to automatically disseminate messages
 through the Cable Dissemination System (CDS). Approximately
 70 percent of all traffic is now processed by machine with a goal
 of 80 percent at the completion of Phase II. Prior to
 Project DUE, approximately 25 percent of the cable traffic was
 machine analyzed.

Project DUE has lessened the burden on the cable analysts and
 permitted them to more effectively and accurately disseminate
 cable traffic. Savings - \$120,000.

\$120,000

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Office of Communications - ContinuedStatistical Multiplexer (STATMUX)

Provides for error-free transmission and allows oversubscribing, both of which result in reduced leased line costs. Deployed in four domestic sites. Savings - \$12,000/yr ongoing.

\$32,000

OC Finance Branch Procedural Changes

The Finance Branch (FB) instituted several procedural changes that resulted in more efficient operation and time savings to FB employees. Listed below are some of the more noteworthy improvements:

1. Deleted the requirement to post individual price adjustments to each requisition. Control of costs has been maintained with a monthly time savings of about two days.

2. Established a card system to identify pertinent information on each contract. This system facilitated the processing of billings through FB. The monthly savings in time approximates 1/2 day.

3. Initiation of a travel order log to identify the type of travel, cover of the traveler, etc. This has since been computerized on the MAINS system and has been expanded to include basic data of the travel order. Savings in time is estimated 3-5 days per year.

4. Devised packages containing basic travel and allowances data forms to complete an accounting for these items. The purpose of these packages is to inform travelers of their entitlements and make them aware of the forms required to submit an accounting. A resulting saving of about 1/2 day per month was realized.

5. Redesigned Form 2646 to permit payment of petty cash claims at Decentralized Disbursing Offices. The savings to FB is probably three to four hours per month.

6. Established a Decentralized Disbursing Office in the [redacted] to handle all monetary transactions for Agency employees. This eliminated the necessity for a great many employees to travel to other buildings. Cost saving was estimated at approximately one man-year.

-4-

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Office of Communications - ContinuedRecruitment Teams OS/OMS/OC

25X1 [] As a result of the Task Force Recruitment Team going to [] the effort produced a significant savings to the U.S. taxpayer. The Team costs were \$5,909 for two security officers, one medical officer, and two communications officers. If the 25 applicants had come to Washington, D.C. for three days of processing, the Agency cost would have been \$30,875. This represents a total savings of \$24,966. Additionally, the Team made history by EOD'ing two ET employees one week after they were interviewed in the field. Many offices and hands made this possible.

\$24,966

DATEX Program to Provide Message Relay to ODP Computer from CDS

The modification of the DATEX system software to provide message traffic relay to ODP, COMET, and SAFE versus development of a separate message switch system to provide the service saved \$300,000 in hardware costs and an undeterminable number of man-hours that would have been required to write the software.

\$300,000

Streamlined Overseas Processing

25X1 Prior to CY 1980, []

25X1

25X1 [] had to travel to Headquarters at least two times to prepare the required forms necessary [] In CY 1980, we instituted the practice of dispatching two personnel officers from Headquarters [] to assist graduating personnel in filling out the [] We estimate that approximately [] did not have to travel to Headquarters in CY 1980, and a savings of \$14,432 was realized. This figure was arrived at by using the following formula: [] 25X1 each losing eight hours work at an hourly wage of \$8.09 (GS-08). $223 \times 8 \times \$8.09 = \$14,432$.

25X1 Mileage for approximately 100 employees to drive []

25X1

25X1 [] for processing purposes, medicals, and security briefings would amount to five trips each or \$11,150. (100 employees x 5 trips each x average of costs from [] @ \$22.30 = \$11,150.) Assuming that 30 (arbitrary figure) of these students were married, their spouses and dependents would have incurred living expenses for two nights in the [] area at \$50 per night for a savings of \$3,000. Mileage on top of these costs would amount to another \$600.

25X1

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Office of Communications - Continued

Streamlined Overseas Processing - Continued

Normal processees during the remainder of the year will total approximately 100. Considering the time lost from work (approximately 800 hours @\$8.09 per hour x 2 trips @ 4 hours each, OC will realize savings of approximately \$6,472). Two trips for each wife will result in another \$4,460 in savings.

\$40,114

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OFFICE OF FINANCEReduction of Agency Cashier Funds

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Treasury funds held by Agency cashiers have been reduced by [REDACTED] This results in an annual estimated savings of \$570,000 at an average borrowing rate of 12 percent to the U.S. Treasury.

\$570,000

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[REDACTED] at an estimated annual savings of \$480,000 to the U.S. Treasury.

\$480,000

Reduction of Disbursing Centers' Funds

Cash on hand in Agency disbursing centers has been reduced and currency orders to the Federal Reserve have been stretched out resulting in a savings of approximately \$30,000 to the U.S. Treasury.

\$30,000

Improvement in National Program Bill Paying

Payments to National Program contractors have been switched from Agency bank account channels to direct deposits of Treasury checks, resulting in an estimated saving of \$300,000 per year in borrowing costs to the Treasury. This procedure also reduces delivery time of vendor payments.

\$300,000

Payroll Absorption of Workload

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During Calendar 1980 pay cases (the number of people paid through the payroll system including CIARDS annuitants) increased [REDACTED] This workload increase of 4.2 percent was absorbed by Payroll Division without an increase in staff. This results in a cost avoidance of \$43,598 and 2.4 additional workyears which would have been necessary to meet this increase in work. The absorption has been made possible by a series of productivity improvements made by Compensation Division.

\$43,598

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SECRETOffice of Finance - ContinuedReduction of Delinquent Travel Advances

In February of 1980, a concerted attempt was started to reduce delinquent travel advances. At that time delinquent advances numbered 870 with a total cash value of \$1,335,752. With the assistance of budget and finance officers throughout the Agency, these advances were reduced to 260 cases with a value of \$381,395 by 31 May 1981. This resulted in a savings of \$48,000 to the U.S. Treasury.

\$48,000

Improvement in Bill Paying Production

During the last 15 months, O/FIN increased the average number of bills paid from roughly 3000 to 4000 per month, a 33 percent increase. We also reduced the number of unpaid bills over 30 days old from 1200 to 300. This productivity increase was accomplished with the assistance of the Office of Logistics and contract and B&F officers throughout the Agency but without any increase in staff in the Audit and Certification Division. Savings cannot be measured in dollars but have occurred in terms of hard savings to contractors through more timely payments, hard savings to the Agency through better contractor relationships, and through a decrease in complaint correspondence.

Discounts Taken

Many manufacturers and vendors offer discounts for prompt payment of their invoices. Savings realized as a result of taking advantage of discounts offered totaled \$455,000 during the period 1 October 1979 through 30 June 1981.

\$455,000

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OFFICE OF LOGISTICSElimination of Logistics Services Division Budget Item of \$50,000 for a Mini-Computer

INFO, a data base management system which enables the building of small, easy-to-use data bases, has been installed under CMS software. This package will be used to automate current manual operations, such as the recording of Property Pass information and the tracking of LSD work orders, and will reduce the time required to run the CRAMS (Agency Space) project.

FY 80 LSD budget item for mini-computer for LSD requirements	\$50,000
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OL 1/4 portion of \$20,000 cost for CMS version of INFO package	<u>\$ 5,000</u>
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\$45,000

Printing Plant Consolidation

The Special Printing Plant, located in Room GJ-56 Headquarters, was merged with the Main Printing Plant on 1 July 1979. This consolidation resulted in the elimination of seven positions, the saving of 2,400 square feet of floor space, and the avoidance of equipment and supply costs of over \$300,000. Significant unquantifiable benefits relating to the functional efficiencies that resulted from operating one plant rather than two should also be noted. \$532,000 has been saved since plant consolidation. Of this figure, \$392,000 results from manpower savings and \$40,000 was saved as a result of the turn-in of 2400 square feet of space.

\$532,000

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Office of Logistics - Continued

Acquisition of Web Press

The Printing and Photography Division installed a web offset printing press in January of 1980. Utilization of this press saves the Press Branch one man-year for each year it is used. This device also makes improved quality and decreased job turn-around possible; and because the web press uses roll paper rather than cut sheets, selected paper costs are reduced as much as 40 percent. A savings of \$86,000 has been realized since the installation of the web press. This is a combined labor and materials savings figure.

\$86,500

Muller-Martini Saddle Gatherer

This piece of bindery equipment supports the operation of the web press by providing an improved means of finishing (collating, stitching, trimming) the web's output. This machine reduces book finishing time by a third. A labor savings worth of \$10,125 has resulted from the installation of this machine in February of 1980.

\$10,125

ETECs Full Page Composition

Selected National Foreign Assessment Center (NFAC) publications are currently undergoing automated full page makeup through the improved utilization of the ETEC System by the Printing and Photography Division (P&PD). This results in the savings of one man-year for NFAC. P&PD's Composing Branch must expend a portion of this saved man-year; however, there is still a net manpower savings, and product quality and throughput are significantly improved.

\$14,000

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SECRETOffice of Logistics - ContinuedPress Comments Format Change

The format of the Press Comments publication was changed from 8 x 12 1/2 inches to 8 x 10 1/2 inches in October 1980. This has allowed the Press Comments to be printed on the web press, thereby, saving three hours each in the Press and Bindery Branches on each of the four days that the publication is produced. Utilizing the web press also effects a 40 percent paper savings as a result of the smaller page size and the use of less expensive roll paper. This change in format has resulted in \$13,000 in manpower savings, and \$6,000 in materials savings.

\$19,000

Directorate of Operations Technical Manual Duplication

The Printing and Photography Division (P&PD) is involved in the reproduction of technical manuals for a component of the Directorate of Operations (DO). Until recently, this reproduction service was performed using costly and time-consuming photographic processes. A reevaluation of the project and available equipment led to the development of a system which dramatically reduced the cost of supporting this activity. By substituting xerography for photography, it has become possible to save approximately \$500,000 per year. This figure represents labor and material savings.

\$1,000,000

Negotiated Contract Savings

Negotiated savings for the period 1 October 1978 - May 1981 amount to \$5,500,000.

\$5,500,000

-3-

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SECRETOffice of Logistics - ContinuedElectric Powered Centrifugal Chiller

The recent (May 81) replacement of the steam powered absorption chiller at Building 213 with an electric powered centrifugal chiller for air conditioning saves an estimated \$277 per hour at full load operation. In the course of one year, this will reflect an overall savings of up to \$598,000.

\$99,666

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\$137,500

No Cost Maintenance by the [REDACTED]

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Utilization of reserve units of the [REDACTED] to complete annual engineering projects [REDACTED] is expected to represent a cost avoidance for FY-81 of \$75,000. [REDACTED] projects this arrangement will continue over the next several years as part of a training program for the [REDACTED]

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\$75,000

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SECRETOffice of Logistics - ContinuedExtensive Use of U.S. Government Excess Property Lists

25X1 In 1979, [] obtained airborne equipment repre-
 25X1 senting a cost avoidance of \$70,000. In 1980, [] again
 obtained [] in the amount of
 \$40,000, from Government excess property lists. The estimate for
 1981 and through the next several years is expected to continue
 at the \$200,000 level (\$70,000 for []
 \$130,000 for [] which represents a substan-
 tial savings through cost avoidance.

25X1

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Additional property was acquired through Supply Division, at the request of various Headquarters elements, from Government excess property lists, totalling \$155,449 for 1980. To date in 1981, the Agency has obtained \$11,924 of property from other Agency excess lists.

\$277,373

Contract Information System (CONIF)

As a result of the 1977 centralization of the Contract Information System (CONIF), a savings of [] part-time employees at the GS-06 level was realized and amounts to \$42,000 per year.

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It is estimated that the automated interface of the Contract Information System (CONIF) and the General Accounting System (GAS) has saved the Offices of Finance and Logistics 1.5 man-years at the GS-06 level.

On-line retirement procedures were implemented to keep the Contract Information System (CONIF) database free of settled contracts. This reduced the database holdings by 50 percent and the processing time for queries by at least 50 percent. With room in memory for more storage and a more manageable data base, it will not be necessary to acquire a new system which might cost \$200,000 to \$300,000.

\$419,000

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SECRETOffice of Logistics - ContinuedDirect-Readout Scale

The Preservation and Packaging Section of the has installed one and ordered two more electronic direct-readout type scales that mount integrally on forks of lift truck. This speeds up packaging operation by permitting scales to be taken to the job instead of vice versa, and virtually eliminates scale queue up. The estimated savings is half a man-year at the rate of \$10.00 per hour.

2541

\$10,400

Material Cost Savings

Whenever practicable, fiberboard has been substituted for the more expensive lumber and plywood utilized in cargo preparation. The yearly saving amounts to \$10,400.

The updating of the INSTAPAK Machine has enabled use of a larger chemical reservoir and has resulted in a 10 percent reduction in average unit price per lb. of chemicals.

\$15,984	Total price of chemicals 1980
x .10	
\$ 1,598	

\$11,998

Forktrucks

Improvement in forktruck maintenance, etc., has warranted extension of usable life beyond former ten-year period without impairment of efficiency or service. Consequently, replacement of four units in 1981 and six units in 1982 has been cancelled and, instead, a maximum of five units is planned for replacement in 1983. Units have an approximate replacement value of \$25,000 each.

4 + 6 = 10 x \$25,000 = \$250,000 ('81 & '82 cancelled)

less 5 x \$25,000 = 125,000 ('83 planned)

\$125,000 (net saving during
3-yr. period)

-6-

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SECRETOffice of Logistics - ContinuedForktrucks - Continued

The continuing program for forktruck economy has been paying off gradually. The reduction of eight units in our operating complement has reduced the contract maintenance charge by \$100/unit/month.

$$\$100 \times 8 \times 12 = \$9,600$$

Improvement in the operation of the units over the past few years through the installation of battery charging meters on the trucks to control charging rates has resulted in an average of two less charging units per year required at a cost of \$800 each.

\$800	price of charging unit
<u>x 2</u>	number of units reduced
\$1,600	

\$52,533

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OFFICE OF DATA PROCESSINGCompetitive Procurement of Computer Equipment

Very substantial discounts have been provided by equipment manufacturers in bidding on competitive procurements of ADP equipment. Competitive procurement of disk drives and computer memory has resulted in a savings of \$3,000,000 in cost avoidance since FY 1979.

3,000,000

Human Resources System

The new computer-based Human Resources System (HRS) (most noticeably the PERSIGN II system) was implemented in 1980 at an estimated development cost of \$2.9 million. An annual savings of approximately \$760,000 will result as compared with the cost of former personnel processes.

\$760,000

Release of Computer Equipment

The release of an IBM 360/20 small computer system and the transfer of the workload to main ODP computers have effected an annual savings of over \$53,000 in terms of equipment maintenance, space, and manpower. Further, four positions were eliminated that were previously assigned to support this work.

\$145,750

Use of Excess ADP Equipment

The use of excess mainframe and minicomputer equipment since FY 1979 has resulted in a savings of \$2,100,000 through cost avoidance as follows:

370/158 Mainframe plus peripheral equipment for:

Project TADS (OSWR)	\$1,000,000
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Project 4C (OS)	1,000,000
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Minicomputer Equipment from Digital Equipment Corporation for OS, OSO and OCR projects	
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100,000

TOTAL	
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\$2,100,000

\$2,100,000

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OFFICE OF SECURITY

Office of Security Case Expeditor Group

In March 1980, the Office of Security (OS) joined the Office of Medical Services in the assignment of an officer to the Office of Personnel to screen out applicants who would probably be disapproved. This initiative was intended to prevent the expenditure of limited resources on questionable cases. The OS contingent currently consists of [] full-time GS-13 professional [] contract annuitants. The total cost of the annuitants to date has been \$35,700. Statistics kept since June 1980 reflect savings in investigative costs, under the most conservative interpretation possible, to be at least \$165,000. This estimate does not include the immeasurable savings in investigative time realized in those cases where the OS expeditors have obtained directly from the applicants information they had failed to provide on the Personal History Statements. (C)

25X1

\$129,300

Guard Program

Commencing in May 1980, we have made reductions in the Guard Program, including the closing of entrances and realignment of posts, that resulted in savings of \$449,000 in FY 80 alone. Additional savings of \$835,500 through 30 June 1981 are anticipated. The estimated total savings for 3 1/2 years is \$4,149,000.

\$1,284,500

GSA Leased Vehicles

To offset personal vehicle mileage costs incurred in the conduct of investigations and operational support, we have leased 120 vehicles from the General Services Administration. Resultant savings in FY 81 are expected to be \$96,000.

\$96,000

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SECRET

25X1

Office of Security - ContinuedSANCA Name Deletions

Over the last two years, the Indices Section of the Security Records Division (SRD) has identified some 800,000 entries subsequently deleted from the Security Automated Name Check (SANCA) indices. The Systems Support Branch/SRD was able to remove the unneeded names from SANCA by supplying the Security file numbers to the Office of Data Processing. Deletions are now routinely accomplished at the Ruffing Center. This eliminates an estimated 2.45 GS-06 workyears within SRD for an annual savings of some \$34,300.

\$34,300

Card Index Conversion to Microfiche

During the same period, the 3 x 5 card backup system was converted to microfiche, which is automatically generated from the SANCA magnetic tapes. By eliminating the need for GS-04 clerks to manually extract and destroy each index card, SRD estimates that the 800,000 deletions processed by machine represent a one-time savings of some \$6,000. Since new cards are no longer created, there is a continuing savings of an estimated \$1,700 yearly. Finally, the phasing out of the card index released 400 feet of valuable floor space to the new file review project. This area, if rented in the [] at \$10 per square foot per year, would cost Security \$4,000 annually.

\$65,700

25X1

-2-

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SECRETOffice of Security - ContinuedRecords Control Schedule Review

The SRD Records Control Schedule review has eliminated over 550,000 files. Cost savings directly attributable to this program include an estimated \$51,000 annually for files we no longer retrieve, repair, review, and service. This destruction effort has also eliminated the need for 6000 linear feet of mobile shelving storage capacity in the new file room [REDACTED] a saving of \$162,000. Finally, the space needed to store these documents would have been rented at \$10, per square foot per year for an annual cost of \$12,000.

25X11

\$225,000

Industrial Investigations

The Processing Section of SRD now conducts all pre-field preparation of several categories of industrial investigations which currently average about 500 cases per month. An estimated saving of one-half workyear for a professional Clearance Division desk supervisor has resulted, or a saving of approximately \$15,000 per annum. In addition, several days are eliminated from the case processing time.

\$15,000

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SECRETOFFICE OF TRAINING AND EDUCATIONAgency Off-Campus Program

The Program has offered a number of area studies courses for training requirements within several directorates as an alternative to the expensive external area programs. A total of 188 Agency employees completed these courses at a cost savings of approximately \$109,222.

\$109,222

External Training

The Training Support Division, via its screening process under Title 5, has either transferred some requests to internal courses or disapproved these requests, for a total savings of \$91,000.

\$91,000

External Training--In-house Runnings

The Training Support Division has arranged and/or administered three runnings of the Nuclear Weapons Advanced Course usually given at the Interservice Nuclear Weapons School, Kirtland AFB, New Mexico; two runnings of the Army's General Transportation of Hazardous Materials course usually given at DARCOM Headquarters at Savanna, Illinois; and one running of NACSEM 5100 course usually given at Lackland AFB, Texas. For the Nuclear course, 184 students were trained for a savings of \$102,960, to both the Agency and the Intelligence Community. For the DARCOM course, 77 students were trained for a savings of \$55,255. For the NACSEM running, 9 students were trained for a savings of \$6,470. Total savings of \$164,685.

\$164,685

Management Training

Management and Administrative Training picked up one-week management training of midcareerists eliminating the requirement for a contract with AMA of \$6,000. Savings of \$18,000.

\$18,000

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Office of Training and Education - Continued

Intelligence Training

The Defense Industries Course and the Industrial Training Course have been discontinued for a savings of \$35,000, plus staff.

\$35,000

Travel Reimbursement []

The requirement for 3-person carpools to qualify for reimbursement [] has reduced travel payment to staff and trainees during the past year of approximately \$12,500.

\$12,500

Use of Less Expensive Television Cameras

Television cameras are generally the most expensive item in OTE's production inventory. The \$42,000 RCA camera was recently switched to a very serviceable \$7,000 JVC camera. The RCA camera is being utilized [] A recent purchase resulted in a savings of \$36,000.

\$36,000

Consolidation of OTE and Operations Training Division
Television Facilities

The sharing of equipment and personnel by these two units has provided better quality productions. If similar facilities were established at both locations [] (CofC Building) it would have cost an additional \$150,000.

\$150,000

Conversion to Videotape From Film for Media Presentations
Produced In-House

An individual film presentation ranged in cost from \$75,000 to as much as \$150,000. Videotape presentations cost \$25.00 per 60-minute cassette, and as a rule only one cassette is used per presentation. Talent and technical crews are salaried Agency employees. Each production may range from 18 to 331 man-hours. Since 1978, OTE has produced or has in process 18 videotape productions. Total cost, excluding man-hours, is under \$500. The production of 4 films during a 4-year period would have cost approximately \$300,000.

\$299,500

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Office of Training and Education - continuedSavings Through ROPE Testing

The Language School now pouches Recorded Oral Proficiency Exams (ROPE) to individuals requesting language testing. There were 535 ROPE's requested. If Language School instructors were sent to testing sites, their travel time and per diem would be considerable. The savings on this activity is \$26,792.

\$26,792

PDP Computer

The installation of the PDP computer has resulted in savings for OTE. Previously this work had to be handled on a contract basis. The new savings (after the investment) for the last two-year period would be about \$25,000. Savings will continue to accrue since the software utilization period extends beyond the period under consideration.

\$25,000

Items Received from Government Disposal Depots

Various items from government disposal depots were received at no cost [redacted] The items include trucks, generators, forklifts, road graders, typewriters, calculators, TV consoles, etc., which mean cost factors are considerable if we had to buy the items amounting to a total of \$465,397.

\$465,397

25X1

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SECRETOffice of Training and Education - Continued25X1 TV Production Studio

25X1 By using [] TV production studio, considerable costs are saved when compared with costs for commercial TV contracts. An example would be a \$37,000 production [] which would have cost approximately \$150,000 on outside contract. 25X1

\$113,000

25X1 Energy Conservation Program

The energy conservation program will amortize in excess of \$100,000 during the next four years. Program includes storm windows, heat pumps, attic installation, and vinyl siding. The expenditure of \$187,000 for 85 heat pumps installed in certain buildings at an installed unit cost of \$2,200 would amortize over an estimated 4 1/2 years based on present cost factors for fuel, electricity, etc.

\$66,000

25X1 Refurbished []

By the use of an outside labor contract and on-hand materials and supplies, we refurbished one of [] rather than demolish it as was contemplated. The cost to redo the house was \$10,000 for a labor contract plus \$8,000 in government-furnished materials which will amortize in approximately 4 years based on rental charges. The cost of a newly constructed house is estimated at \$85-90,000. 25X1

\$72,000

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TAB

ATTACHMENT B

FUTURE EFFICIENCIES

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Future Efficiencies Through Capital Investment

Data Processing

Payroll System

Logistics Integrated Management System

OF Field Accounting System

OL Field Property Accounting System

Travel Accounting

Computer Aided Instruction (OF, OTE, etc.)

On-line Records Retrieval and Search System with Records Center

Security Communications Improvement Program

Automation of all Language Related Records

Automation of Language Lab

Registration for Training and Conferences

25X1

Control of Codeword Material

Text/Software Package for PSD/OMS and Acquisition of word processing system

Automation of CCCR/OMS (terrorist) data and tie it to SAFE

Acquisition of ScanTron Optical Mark Reader for OMS

Increase personnel/funds for software development

OC Recapitalization

New Building at Headquarters

New printing and materiel handling equipment

Utility reliability improvements

Improved energy efficiency of existing buildings and equipment

25X1

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Acceleration of Headquarters Secure Voice Program

Quantity buy of SKYLINK terminals and equipment

Quantity buy on Capitalization Program

Headquarters Records Review to reduce filing equipment and gain space

Technical Security Recapitalization

FY-1983 Theme Package on Terrorism

25X1

[REDACTED]

Construction of a Classroom [REDACTED]

25X1

25X1

Purchase and installation of utility meters at housing facilities [REDACTED]

25X1

[REDACTED]

25X1

New Classroom and [REDACTED]

Improvement of the [REDACTED]

25X1

Upgrading OTE's television production facility [REDACTED]

25X1

Implementation of field PATB-II testing

Close down, consolidate, or make better use [REDACTED]

25X1

Improve Headquarters maintenance and operations (GSA) at same or lower cost

25X1

[REDACTED]

Secretary/Word Processing Pool

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Future Efficiencies Without Adverse Impact

On Service or Resulting in Improvement in Service

Electronic Fund Transfer for personnel under cover and
"self-mailers" for financial statements ✓

Interest on operational bank accounts ✓

25X1
25X1

Elimination of POV travel [] and elimination []

25X1

Putting most checking and saving account funds []
into bonds (same for other operational entities) ✓

25X1

When an office moves, leave all furniture ✓

Abolish Advance Work Plan (AWP) and Evaluation of Potential
(EOP) in Performance Appraisal Report (PAR) ✓

Abolish the MG support conferences in Europe and the Far
East ✓

Make more use of "blue blazer" protective force ✓

Do polygraphs on recruits "up front" ✓

Absorb 2,300 new pay cases (payroll) - FY-81 to FY-83 (and
absorb all OL, OS, OMS, etc., support for increase in Agency
T/O without increase in support T/O) ✓

When an office moves, leave telephone numbers

25X1

[]
Elimination of classification review (EO 12065)

Elimination of Freedom of Information Act

Establishment of a Regional Support Activity []

25X1

Use of individual office personnel for some ADP programming
and maintenance ("do your own")

Decentralization of recruiting and payment of bonuses to
"head-hunters" and employees

Additional compressed and flex-time (when productivity can
be enhanced)

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Do more up-front planning --reinitiate support annexes ✓
Contract out secretarial services for unclassified work ✓
Modification of standard overseas tour to three vice two
years with fourth year optional
Use of retired annuitants to provide TDY support overseas -
WAE
Reproduction of cables at eight lines per inch
Pool data terminals ✓
Reduce copies of training reports
Increase competitive procurement ✓
Component budgeting for terminals ✓
Agency-wide information processing standards ✓
Control and limit year-end funding (to preclude fund "dumping") ✓
Reduction of ADP output products ✓
Greater use of suggestion awards ✓
Reprogram OS automated name check ✓

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Future Efficiencies With Adverse Impact On Service

Reduction of number of conferences or otherwise) ✓ 25X1

Reduction of course duration/frequency/format ✓

Midcareer - five to four runnings

Introduction to CIA - fewer runnings

25X1 *Conduct Career Counseling at Chamber of Commerce Building rather than*

25X1 *Use some TDY instructors and reduce PCS assignments --*

Use more TV and less live presentations --

Elimination of all summer programs

(Students, fellows, Urban League; etc.)

Elimination of guards at tunnel and DCI garage

Elimination of off-campus program ✓

Elimination of disseminating information on external training ✓

Discontinue training registration and statistics report ✓

Offer language program only on fixed schedule /

Elimination of Special Language Programs (total immersion, familiarization, etc.) ✓

25X1 Conduct all management training at Chamber of Commerce Building rather than some

Discontinue dental program ✓

Less frequent medical examinations ✓

Elimination of routine chest X-rays, spirometry

Close DCI Garage

25X1 Reduction of training time (OC)

Limit movement of secure or black telephones

Reduction of cable dissemination file ✓

Close Center for Study of Intelligence

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Elimination of handwritten corrections, additions, and/or deletions on cables and telepouches

Close Executive Dining Room ✓

Elimination of Media Highlights

Increase sea shipments ✓

Elimination of early-morning and afternoon shuttles ✓

Elimination of chauffeurs ✓

Elimination of pneumatic tube system ✓

Put Genographics in P&PD ✓

Cut off lights in all buildings at night ✓

Reduce or eliminate most unclassified publications FBIS, Heads of State, etc. ✓

Make customers of printed products outside the Intelligence Community pay for publications ✓

Make FBIS and JPRS self-sustaining ✓

Publications Review Committee (reduce total subscriptions and printing) ✓

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Future Efficiencies Through Centralization Or
Elimination of Duplication

Collocation of 4-C and Ruffing or DDO center

Consolidation of micrographics

Consolidation of copier management

Standardization of Agency-wide equipment ✓

Consolidation of graphics

Consolidation of TV and videotape facilities

Consolidation of transportation in OL (vice OL, OD&E, OSO, etc.) ✓

Centralization of OC support in the Domestic Networks Division, OC (vice OC, OSO, and OD&E) ✓

Consolidation of all travel accounting (vice OD&E, etc.) ✓

Centralization of budgeting and management for personal service costs ✓

Consolidation of all financial management in OF (decentralized finance personnel to report directly to OF) ✓

Consolidation of all Agency medically related tasks, e.g., psychologists, VIP Health Program, occupational safety, etc. ✓

Transfer of Overseas Medical Benefits Program to the Office of Medical Services ✓

Reexamine Information Handling Task Force Recommendations

Consolidate JPRS in P&PD

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